



COMMITTEE ON AVIATION ENVIRONMENTAL PROTECTION (CAEP)

STEERING GROUP MEETING

Takamatsu, Japan, 16 to 20 October 2023

Agenda Item 4: CORSIA (WG4)

VIEWS OF THE UNITED STATES ON WORKING GROUP 4 (WG4)

(Presented by the United States of America)

SUMMARY

The United States commends Working Group 4 (WG4) for good progress on its work at this point in the CAEP/13 cycle. This paper shares the views of the United States on select tasks progressed by each WG4 sub-group, including a recommendation for a CORSIA new entrant baseline option.

Action by the CAEP-SG is in paragraph 5.

1. INTRODUCTION

1.1 The United States commends Working Group 4 (WG4) for good progress on its work program at this point in the CAEP/13 cycle. Each of its main sub-groups, respectively focused on Monitoring, Reporting, and Verification (MRV); the Emissions Unit Group (EUG); and CORSIA Tools and Analysis Group (CTAG) have brought meaningful recommendations for the Steering Group to consider. This working paper presents the views of the United States on key recommendations from these groups and proposes a path forward where needed.

2. VIEWS ON MONITORING, REPORTING, AND VERIFICATION (MRV) TASK ON NEW ENTRANTS

2.1 The United States welcomes the significant progress presented in CAEP-SG/20232-WP/11. This task, and the recommendations presented in CAEP-SG/20232-WP/11, reflect the outcome of considerable technical analyses by both the MRV and CTAG groups, that were originally presented at the CAEP/12 meeting. After the 41st ICAO Assembly (A41), WG4 reconsidered recommendations it originally made at the CAEP/12 meeting to ensure that its analyses appropriately accounted for changes made to CORSIA provisions in relevant Assembly Resolutions applicable to new entrants.

2.2 CAEP-SG/20232-WP/11 requests CAEP to agree to one of two new entrant baseline options: “Option E,” which recommends a baseline based on a CORSIA new entrant operator’s actual emissions in Years 2 and 3, following the year in which it is first subject to the CORSIA SARPs; and “Option F,” which recommends a baseline for new entrant operators that is equivalent to having new entrants’ offsetting requirements be based on a 100% sectoral (i.e., not based on any individual share when other operators are subject to 85% sectoral and 15% individual shares). These two options are submitted to CAEP, in part, based on four considerations: 1) Amount of CO₂ emissions to offset and how this compares to the share for operators already in scope; 2) Impact on overall net emissions in comparison to Carbon Neutral Growth (CNG); 3) Simplicity of application; and 4) Alignment with the way non-New Entrant baseline is calculated.

2.3 Assembly Resolution A41-22 states (emphasis added):

“12. Recalls its decision at the 39th Session and further decides that a new entrant is exempted from the application of the CORSIA for three years or until the year in which its annual emissions exceed 0.1 per cent of total emissions in 2019, whichever occurs earlier. From the subsequent year, the new entrant is included in the scheme and treated in the same way as the other aeroplane operators.”

2.4 Based on the analyses conducted by WG4, and the relevant text of Assembly Resolution A41-22, the United States recommends Steering Group agree to “Option E.” Both “Option E” and “Option F” achieve approximately a similar amount of CO₂ emissions to offset for both CORSIA operators already in-scope and CORSIA new entrants; both result in approximately the same magnitude of overall net emissions in comparison to CNG; and both are simple to apply. However, only “Option E,” is consistent with Assembly Resolution A41-22, as it treats both CORSIA operators already in-scope and CORSIA new entrants “in the same way as other aeroplane operators” after a “new entrant is exempted from the application of CORSIA for three years or until the year in which its annual emissions exceed 0.1 per cent of total 2019 emissions.” “Option F” is not consistent with Assembly Resolution A41-22 because CORSIA new entrants would follow a separate set of rules for calculating their offsetting obligations, not based on their individual growth factor, and different than operators already in-scope.

2.5 We also note that, based on technical analyses conducted by WG4, it was found that new entrant operators emerge across all regions and are not limited to particular States or regions. Since the start of CORSIA, the United States has experienced the entry of several aeroplane operators and expects that this trend will continue. We do not expect new entrant operators attributed to the United States to be treated differently than any other operator attributed to the United States, after their grace period, and such disparate treatment is precisely what ICAO standards seek to avoid.

3. VIEWS ON EMISSIONS UNIT GROUP (EUG) TASK C.04

3.1 The United States commends WG4 and the Emission Units Group (WG4-EUG) for its work undertaking Task C.04 (Emissions Unit Criteria [EUC] Management). We welcome the significant progress achieved by WG4 on Task C.04 during this CAEP cycle, in particular as it developed recommendations on technical approaches to the management of the Emission Units Criteria in light of recent relevant decision under the Paris Agreement, i.e., decisions relating to Article 6 of the Paris Agreement.

3.2 We welcome the WG4 recommendations for the amendment of the Guidelines for Criteria Interpretation presented in CAEP-SG/20232-WP/10. These recommendations provide a significant and thorough update to Appendix A to the Technical Advisory Body’s (TAB’s) Programme Application Form,

an important tool in the programme assessment process for the TAB and all programmes interested in applying to become CORSIA-eligible.

3.3 These recommendations take into consideration the relevant content in the Paris Agreement 6.2 and 6.4 decision, TAB's experience applying the EUC over the last three (3) years, significant input provided by WG4 experts, and latest development and best practices developed in carbon markets, both regulatory and voluntary, related to the environmental integrity of offset credit programmes. Incorporating these recommendations into the Guidelines for Criteria Interpretation ensures that CORSIA maintains the highest level of environmental integrity for each, and every CORSIA-eligible unit authorized to be used under the scheme.

4. VIEWS ON CORSIA TOOLS AND ANALYSIS GROUP (CTAG)

4.1 Regarding the recommendation on the 2023 version of the ICAO CORSIA CO₂ Estimation and Reporting Tool (CERT), the United States supports all the actions as contained in CAEP-SG/20232-WP/08, including the recommendation of the table of aerodromes contained in Appendix F to complement the CERT Aerodrome database and be embedded in the CERT 2023. Like other ICAO Member States that implement the CORSIA MRV requirements, the United States conducts an assessment of emissions reports and a gap filling exercise every year. To support this process, any airport that is not contained in the CERT aerodrome database needs to be created and added into a "Custom Aerodrome" database. As part of the 2022 process, this Custom Aerodrome database included approximately 400 aerodromes. This requires additional work, data inputs, and checks. This additional work is not limited to the United States but to all aeroplane operators and States using the CERT. Recognizing this need, and in light of the continued gaps in the ICAO Doc 7910, the United States recommends complementing the CERT Aerodrome database, as proposed by the WG4.

4.2 The United States welcomes the interim updates on the CORSIA Analyses that reflect the draft CAEP/13 trends. The updates are particularly important as they point to a key milestone in the CORSIA implementation timeline, with the expected start of offsetting in 2024. While there was some uncertainty in prior analyses, all three scenarios seem to indicate a similar timing of the start of offsetting. We recommend that the summary of the outcome of interim updates on CORSIA Analyses be communicated to the Council (as part of the request to provide regular updates). Finally, we note and support the planned future work from the WG4-CTAG, including work to further refine the scenarios for Emissions Reductions from CORSIA Eligible Fuels, given the future importance of Sustainable Aviation Fuels. These analyses should also consider the relevant outcome of the third Conference on Aviation and Alternative Fuels (CAAF/3) on SAF trends and targets, at least to provide context for the potential future contribution from CORSIA Eligible Fuels in addressing offsetting requirements from international aviation.

5. ACTION BY THE CAEP-SG

5.1 The CAEP-SG is invited to:

- a) note the United States' view that "Option E" is the new entrant baseline option that should be agreed to by CAEP, based on its consistency with Assembly Resolution A41- 22;
- b) agree that "Option E" is the new entrant baseline option recommended by CAEP;

- c) note the United States' support of the 2023 version of the CERT, including the proposal to embed the enhanced CERT Aerodrome database; and
- d) consider informing the Council of observations from the ongoing CORSIA Analyses as part of the request for regular updates, including any relevant outcomes from CAAF/3.

— END —